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S E C R E T SECTION 01 OF 02 BEIJING 001900

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DEPT FOR ISN A/S ROOD

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TAGS: [PREL](#) [PARM](#) [ETTC](#) [CH](#) [IR](#)  
SUBJECT: CHINA PREPARES RESUMED AND EXPANDED  
NONPROLIFERATION CONSULTATIONS

Classified By: DCM David Sedney. Reasons 1.4 (b/d).

#### Summary

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11. (S) China is prepared to immediately resume and expand nonproliferation cooperation with the United States, MFA Director General for Arms Control and Disarmament Zhang Yan told the DCM. Zhang's proposals include:

- immediately resuming nonproliferation consultations with ISN A/S Rood at the Chinese Director General (and if Rood becomes Under Secretary at the Assistant Foreign Minister-level);
- institutionalizing of regular working-level consultations between MFA's Arms Control Department and the United States Embassy, including on cases of alleged export control violations by Chinese companies;
- continuing cooperation projects and export control exchanges previously discussed but suspended in 2006;
- initiating a dialogue about specific Chinese companies that remain under sanctions but which have stopped their proliferating activity with an eye toward establishing a model for how sanctions could be lifted and
- establishing a model through which differences between the United States and China over export control practices by Chinese companies can be resolved through consultations, rather than sanctions.

The DCM welcomed China's positive attitude toward renewed cooperation, said he would pass on the invitation to A/S Rood and reminded Zhang that sanctions of Chinese companies are based on United States law and can only be lifted consistent with those legal requirements. The DCM stressed that our primary goal is the prevention of proliferation, not imposition of sanctions, which are a means to that end. The DCM urged that China share more and more detailed information about Chinese enforcement actions. END SUMMARY.

#### Attitude Toward Nonproliferation Cooperation Improved

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12. (S) MFA Arms Control DG Zhang Yan asked to meet the DCM March 13 to discuss renewal of nonproliferation cooperation between the United States and China. Zhang said the United States and China as important countries and permanent members of the UN Security Council share responsibility to maintain world peace and stability, including through common interests in nonproliferation. In the past, China and the United States enjoyed fruitful cooperation that positively influenced nonproliferation in the world and China would like to return to such cooperation, Zhang said.

13. (S) Zhang referred to the DPRK and Iran as specific examples of recent cooperation that indicate China's goodwill concerning nonproliferation issues. Pointing the Six-Party Talks, Zhang said Chinese officials have seriously implemented UN resolutions concerning the DPRK, including stopping transfers and planned assistance to North Korea. China will similarly implement whatever sanctions the UNSC decides with respect to Iran. ISN A/S John Rood had emphasized to Zhang on the margins of recent meetings of the Global Initiative to Combat Nuclear Terrorism that the United States attaches importance to cooperation with China on nonproliferation.

#### China Prepared to Immediately Resume Consultations

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14. (S) China is prepared to immediately resume nonproliferation consultations at either China's Director General or Assistant Foreign Minister-level, depending on the appropriate level for A/S Rood, Zhang said. These consultations usually take place twice per year but were suspended last year by China following United States financial sanctions against Great Wall Airline which damaged the atmosphere for cooperation, he said. Zhang is prepared to host A/S Rood for talks in Beijing or to travel to Washington to meet at a time of A/S Rood's choosing. Noting A/S Rood's nomination as Under Secretary, he added that if AFM-level consultations are more appropriate, AFM Cui Tiankai is prepared to host the consultations at a mutually convenient time. If the United States appoints a new Assistant Secretary to replace Rood, Zhang would like to meet at that level. In such consultations, China is prepared to explain to United States officials in detail its recent

BEIJING 00001900 002 OF 002

efforts to improve its export controls.

15. (S) The Arms Control Department of MFA is also prepared to hold regular, frequent working-level consultations with Embassy Beijing officers, including on cases of alleged export control violations by Chinese companies, Zhang said. China stands ready to continue cooperation projects and export control exchanges previously discussed but suspended in 2006. These would include a United States-proposed training on WMD commodity identification.

16. (S) Zhang proposed the initiation of a dialogue about specific Chinese companies that remain under sanctions but which have stopped their proliferating activity with an eye toward establishing a model for how sanctions could be lifted. Zhang mentioned specifically China Great Wall Industry and China National Electronics Import-Export Company as candidates for such a model program. MFA officials find that the companies comply with China's rules, have met with representatives of both companies and have been assured they are in compliance with relevant export control regulations.

17. (S) Finally, MFA would like to establish a model through which differences between the United States and China over export control practices by Chinese companies can be resolved through consultations, rather than sanctions. Chinese officials and companies are prepared to explain in detail to United States counterparts the steps they have taken to enforce export controls and to take steps to eliminate past practices that resulted in American sanctions.

18. (S) The decision to resume cooperation with the United States is controversial within the Chinese government and society, Zhang claimed. The MFA Arms Control Department, Zhang himself and his staff are frequently criticized because of American sanctions on Chinese companies, he said. The perception is that he and his staff act for the United States. Chinese companies and the public question the purpose of United States' nonproliferation policy that results in sanctions on China and doubt the need for China to

cooperate with the United States on nonproliferation issues. Unilateral sanctions by the United States are wrong, counterproductive and only harden China's attitude against cooperation with the United States on nonproliferation issues, he said. But without such sanctions, much cooperation is possible, he argued.

#### DCM Responds

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19. (S) The DCM welcomed China's positive attitude toward renewed cooperation and said he would convey to A/S Rood China's invitation to restart bilateral consultations. The United States and China have a common responsibility to preserve peace and stability, including in the nonproliferation field. Renewed and expanded cooperation on nonproliferation could go a long way to meet those responsibilities, he said. At the same time, Chinese officials must recognize that the United States believes sanctions are a useful policy tool and a part of United States law. The messages we have delivered recently indicate our concern about the role of Chinese companies in providing weapons to Iran and China should take that information seriously (septel). We invite greater cooperation and presentations by Chinese companies affected by sanctions, he said, but warned that the resolution of sanctions cases, even involving non-Chinese companies, often takes several years and a great deal of information. Sanctions are not a goal in and of themselves, but are a means to an important end, the goal of stopping proliferation, he stressed.

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